



Appropriations Update

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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Volume 6, No. 10

26 June 2006

FISCAL YEAR 2007 SCIENCE, THE DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND RELATED AGENCIES APPROPRIATIONS BILL – H.R. 5672

SUMMARY

The appropriations bill for Science, the Departments of State, Justice, Commerce, and Related Agencies attains the level of the amount allocated for it through savings from changes in mandatory spending programs – programs not otherwise subject to appropriations. As a result, the bill – reported to the House on 22 June 2006 (H.R. 5672; H.Rept. 109-520) – is consistent with the appropriate levels in the conference agreement on the fiscal year 2007 budget

resolution (H. Con. Res. 376), and hence complies with the applicable provisions of the Congressional Budget Act. It also complies with provisions of the budget resolution, such as those governing advance appropriations and emergency designations.

This is the tenth of eleven appropriations bills for the fiscal year beginning 1 October 2006.

Table 1: Science, the Departments of State, Justice, Commerce, and Related Agencies
(fiscal years; millions of dollars)

	2006 Spending ^a	Administration 2007	302 (b) for 2007	Bill
Budget Authority	58,869	59,691	59,839	59,839
Outlays	59,733	62,632	62,143	62,124

^a Excludes emergency-designated appropriations.

COST OF THE LEGISLATION

The bill provides \$59.8 billion in net new budget authority [BA], and \$62.1 billion in outlays for 2006. Compared with fiscal year 2006, this is an increase of \$970 million – or 1.6 percent – in BA and \$2.4 billion in outlays. While BA is equal to the 302(b) suballocation, outlays are \$19 million below the suballocation (see Table 1, below).

A portion of the cost of the legislation is offset by almost \$1.9 billion in savings, through a combination of rescissions and changes to mandatory programs. Nearly all of the rescissions (\$328 million in BA, \$21 million in outlays) occur within the Department of Justice [DOJ] (\$303 million in BA, \$15 million in outlays). The largest rescissions are applied to the unobligated balances of DOJ's Justice Assistance Grant program and Community-Oriented Policing Services program (rescissions of \$128 million in

BA in each). The remaining rescissions are divided between the Department of State (\$10 million in BA) and Small Business Administration (\$15 million in BA).

As with the rescissions, nearly all of the savings due to changes in mandatory programs (\$1.528 billion in BA, \$537 million in outlays) occur within the DOJ (\$1.4 billion in BA, \$446 million in outlays). The primary change comes from the limitation on obligations from the Crime Victims Fund, which is set at \$625 million for fiscal year 2007, thereby providing an offset of nearly \$1.3 billion in BA. The remaining changes occur in the National Oceanic and Atmospheric Administration (\$77 million), the Office of Personnel Management (\$32 million), the Patent and Trademark Office (\$11 million) and the Federal Communications Commission (\$2 million).

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In the absence of the offsets, spending in this bill would have grown by \$2.5 billion year-over-year – or 4.2 percent. The largest offset – a delay of obligations from the Crime Victims Fund that provides \$1.253 billion in BA savings – has been used repeatedly in recent years to lower the costs of this bill. Because it is a delay rather than an out-and-out rescission, the Crime Victims Fund does not lose the ability

to spend the money after the one-year limitation has expired; this also makes it possible for the Congress to delay the availability of the funds again next year. It should be noted that the administration recommended a rescission of funds from the Crime Victims Fund, which would take away the opportunity for the program to provide the same offset year after year.

COMPLIANCE WITH THE BUDGET RESOLUTION

By virtue of a rule adopted on 18 May 2006, the House-passed budget resolution (H.Con.Res. 376) is effective for enforcement of the Congressional Budget Act. The Appropriations Committee – under section 302(b) of the Budget Act – has submitted suballocations to its subcommittees (H.Rept. 109-488) that total the \$873-billion discretionary level contained in the budget resolution.

This measure provides new BA equal to the subcommittee allocation. Hence it complies with applicable Budget Act

provisions, which prohibit consideration of appropriations bills that exceed their respective suballocations. The bill does not cause a breach of the budgetary aggregates for BA or outlays, which would violate the Budget Act.

In addition to spending rules in the Budget Act, the budget resolution provides guidelines for emergency designated appropriations, and appropriations for fiscal years beyond the budget year (so-called “advance appropriations”). This bill contains neither.

Table 2: Discretionary Spending in Science, Departments of State, Justice, Commerce , and Related Agencies Appropriations Bill
(in millions of dollars)

	2006 Budget Authority ^a	2006 Outlays ^a	2007 Budget Authority	2007 Outlays	Difference BA	Difference Outlays
Department of Commerce	6,442	6,391	5,817	6,297	-625	-94
Department of Justice	20,927	21,579	20,390	22,133	-537	554
Department of State	8,753	8,997	8,988	9,172	235	175
National Science Foundation	5,581	5,416	6,020	5,479	439	63
NASA	16,274	15,772	16,713	16,501	439	729
Small Business Administration	534	1,225	649	1,261	115	36
Other	358	353	1,262	1,281	904	928
Total	58,869	59,733	59,839	62,124	970	2,391

^a Excludes emergency-designated appropriations.

DISCUSSION

As shown in Table 2 above, the total cost of the bill is \$970 million above the 2006 BA levels for the discretionary programs it funds. (Relative to the President’s request, the bill provides \$148 million in additional BA.)

Other than the Department of Commerce, agencies funded by the bill receive increases over 2006. While Table 2 suggests that the Department of Justice will receive a \$537 million decrease, this result is skewed by the large amount of one-time savings contained in the bill; as noted, the Department of Justice accounts for \$1.7 billion of the \$1.9 billion in offsets contained in the bill. Adjusting for these

offsets, which largely are accounting transactions that do not affect program operations, Justice receives an increase of \$1.2 billion, or 3.0 percent. Commerce, on the other hand, does receive a decline of \$625 million year-over-year, primarily through a \$684-million decrease relative to 2006 (\$289 million below the request) at the National Oceanic and Atmospheric Administration.

Other noteworthy items in the bill include the following:

- The National Security Division [NSD] is fully funded at the request of \$67 million. NSD is a new office within

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the DOJ, consolidating its counterterrorism, counterintelligence and foreign intelligence surveillance operations.

- The Federal Bureau of Investigation receives \$6 billion, an increase of \$135 million above 2006 and equal to President’s request.
- The Bureau of Alcohol, Tobacco, Firearms and Explosives receives \$950 million, a decrease of \$15 million compared with 2006, and \$90 million less than the administration’s budget request. The relative decrease is due to a new fee on explosives, the receipts from which offset spending. The administration proposed setting the fee at 2 cents per pound, generating receipts of \$120 million; the committee set the fee at a half cent per pound, drawing in receipts of \$30 million.

- The National Oceanic and Atmospheric Administration [NOAA], within the Department of Commerce, as noted, receives a \$684-million decrease relative to 2006. The \$3.4 billion appropriated for NOAA is \$289 million below the request.
- Diplomatic and Consular Programs at the Department of State receive \$4.5 billion, which is \$52 million above 2006, and \$147 million below the request.
- The Security and Exchange Commission provides annual net savings of \$223 million for the bill, because fees it collects from securities registrations and transactions exceed the costs of providing the service. The net savings for 2007 is smaller than the amount expected for fiscal year 2006, when net savings were expected to be \$1.171 billion. Fee income for fiscal year 2007 is about half of the receipts estimated for fiscal year 2006.

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